



PLUGGED IN

State & Federal Energy Newsletter



State Energy News

Driving Demand for Zero-Emission Vehicles

Governors of eight states signed an agreement on Oct. 24 to put 3.3 million zero-emission vehicles (ZEVs) on the road by 2025. These states—California, Connecticut, Maryland, Massachusetts, New York, Oregon, Rhode Island and Vermont — account for 23 percent of the nation's automobile market. The goal of the agreement is to increase consumer demand for ZEVs by building more charging stations and reducing the cost of the vehicles. The [memorandum of understanding](#) outlines the actions that states will take to reach their goal including coordinating consistent building codes for installing charging infrastructure, establishing incentives to promote ZEVs, reducing operating costs through options such as net metering and establishing ZEV purchase targets for government fleets.

Solar Surcharges

On Nov. 15, the five members of the [Arizona Corporation Commission](#) voted to establish a 70 cents-per-kilowatt surcharge on residential net metering customers beginning in 2014. This highly-publicized decision will result in a charge of approximately \$4.90 per month for most customers who own rooftop solar generators. The state's largest utility favored a larger surcharge, stating that solar customers shift transmission costs to non-solar customers; solar advocates were opposed to a surcharge, as they felt it might deter new customers from adopting rooftop solar.

NCSL Working for You

NCSL offers a range of services to legislators and legislative staff . We are here to provide state-by-state analysis of energy issues, offer technical assistance, respond to policy questions and research energy issues of importance in your state.

Welcome to *Plugged In*

This newsletter highlights key state and federal legislation and developments impacting energy policy. *Plugged In* provides updates on the latest state energy news, trends, recent publications, upcoming meetings and more.

Colorado Rules Target Methane Emissions

On Nov. 18, Colorado [released proposed rules](#) to monitor and regulate methane emissions associated with oil and gas drilling. The proposed rules seek to reduce the amount of methane and other volatile organic compound released into the air. The rules would require oil and gas drilling companies to closely monitor tanks and pipelines for leaks, and report monthly on large sources of methane emissions. "The rules will help Colorado prepare for anticipated growth in energy development, while protecting public health and the environment," Governor John Hickenlooper said in a statement. "They represent a significant step forward in addressing a wider range of emissions that before now have not been directly regulated." The proposal still has to go through public comments and a hearing scheduled for Feb. 2014 before becoming rule.

Winding Up

The [Minnesota Public Utilities Commission](#) authorized Xcel Energy's proposal to build four new wind farms. Xcel proposed two wind farms in Minnesota and two in North Dakota;. Combined, the facilities would increase wind capacity in the upper Midwest by 42 percent and provide electricity for 200,000 homes. The cost to ratepayers for the project has not been released but Xcel has stated the facilities would reduce emissions by 1.5 million tons per year and save customers \$225 million. The [North Dakota Public Service Commission](#) must also approve some of the projects.

Renewable Grid Parity Plan

California's Independent System Operator (ISO) is working on solutions to manage instability in the aging U.S. electric grid brought on by integrating variable energy sources such as wind and solar power. According to a [report](#) released Nov. 13, the North American Electric Reliability Corporation (NERC), worked with California's ISO to outline the efforts by the ISO to comply with the state's renewable portfolio standard requiring that a third of the state's power come from renewable sources by 2020. The ISO plans to use a variety of tools to stabilize the grid, which include enhancing regional wind and solar forecasting systems, scheduling, dispatch and coordinating power use across a larger geographic footprint. The ISO is also assessing different techniques to help generators ramp up and down quickly to match changing wind and solar patterns.

Efficiency Reports Released

The American Council for an Energy Efficient Economy ([ACEEE](#)) released their [2013 State Energy Efficiency Scorecard](#), ranking Massachusetts as the most energy efficient state and Mississippi as "most improved." Massachusetts has been ranked first for the third year in a row, namely due to policies enacted with the Green Community's Act of 2008 ([MA S 2768](#)). Mississippi was ranked as most improved due to a suite of policies from 2012 and 2013. Governor Bryant released an energy plan that could create 32,000 jobs and save \$4.3 billion dollars in 2012. In 2013, the legislature enacted a mandatory energy code for commercial and state-owned buildings through [MS H 1266](#). Another [study](#), released by Lawrence Berkeley National Laboratory, on the impacts of increased residential energy efficiency found homeowners would save \$33 billion in energy costs if all homes were sealed in line with the 2012 International Energy Conservation Code. According to the report, the 113 million homes in the country are responsible for consuming 23 percent of electricity.

Aloha to Solar!



[A Hawaiian utility](#), Hawaiian Electric Company, has announced plans to develop a new 15-megawatt solar project on Oahu. The project, which would be the largest in the state, still must be approved by the Public Utilities Commission.

Hawaii has a Renewable Portfolio Standard to have 40 percent of its electricity generated from renewable sources by 2030. According to the Solar Energy Industries Association, Hawaii has the highest percentage of electricity generated via solar in the country. The state has adopted rigorous renewable energy policies because importing fuel is expensive, and due to environmental concerns.

Alaska May Enter Gas Pipeline Business

Alaska officials are considering a recommendation to invest \$9 to \$13.5 billion in state funds to help build a \$45 billion large-scale gas pipeline and export facility. The proposal for the state to take an equity role in the liquefied natural gas (LNG) project—one of the largest projects of its kind in the world—was written by Black & Veatch and released by the Alaska Department of Natural Resources. Many state officials are likely to support the study's recommendation that the state take a 20 to 30 percent equity role in pipeline construction. Proponents point out that the state could become a major player in foreign LNG export markets, while also giving local consumers access to cheaper fuel. The ongoing discussion is likely to play a significant role in the state's 2014 legislative session.

Pacific Coast Action Plan

The governors of three states and the premier of a Canadian province announced a new alliance to address climate change. On Oct. 28, California, Oregon, Washington and British Columbia signed a carbon-pricing [agreement](#) that would raise the cost of greenhouse gas emissions and promote emissions reductions in the energy and transportation sectors. The agreement has no legal or financial obligations but seeks to link the economies and policies of the signatories.

Federal Energy News

EPA Proposes Major Change to RFS

On Nov. 15, the Environmental Protection Agency (EPA) [released its proposal](#) for the FY 2014 Renewable Fuel Standard (RFS), which would reduce the number of gallons of biofuels that are required to be produced as compared to FY 2013 levels. This proposed reduction is the first reduction since the program's beginning in 2007. EPA noted that due to decreases in demand for gasoline, the previous requirements, as passed by Congress, were causing some market disruptions. Specifically, EPA proposed that refiners blend a total of 15.21 billion gallons with 13.01 billion gallons coming from conventional ethanol and 2.2 billion gallons from advanced biofuels. Within the advanced biofuel category, EPA proposed that at least 1.28 billion gallons be biodiesel, of which 17 million gallons must be cellulosic biofuel. The 2007 Energy Independence and Security Act, which created the RFS, called for 18.15 billion gallons of renewable fuels. EPA is holding a 60 day comment period for the proposed rule.

Lets Move Some Power

The [Department of Interior](#) announced on Nov. 12 its final approval for eight of the 10 segments of the 990 mile-long, 1,500 megawatt Gateway West Transmission Line Project. The approval will allow DOI to grant right-of-way permits to begin constructing segments in southern Wyoming and southeast Idaho. Negotiations between federal and state agencies are ongoing for the two segments in southwest Idaho located near the Morley Nelson Snake River Birds of Prey National Conservation Area that were not approved.

Protecting Critical Infrastructure

On Oct. 24, the National Institute of Standards and Technology (NIST) [released](#) draft standards to protect critical energy infrastructure. The voluntary standards followed President Obama's executive order for voluntary protections for the electric grid, pipelines and other critical infrastructure.

Carbon Emissions Decline Again

The Energy Information Administration (EIA) [reported](#) that the U.S. energy sector's carbon dioxide emissions fell in 2012 to their lowest level in almost 20 years as CO2 emissions from energy production dropped by 3.8 percent. EIA noted that the decrease was helped by a warmer than average winter as well as changes in energy consumption for transportation purposes. Between 2010 and 2012, U.S. power plants reduced their carbon emissions by 10 percent.

“Siri, Locate an Alternative Fueling Station”

On Nov. 7, The [Department of Energy launched](#) a new mobile app to help drivers find stations that provide alternative fuel for vehicles. The Alternative Fueling Station Locator app provides information on more than 15,000 stations across the country. Users can search for stations that offer electricity, biodiesel, natural gas, ethanol (E85), hydrogen, and propane. After the user selects a fuel, the app maps the stations closest to his or her current location.

Administration Promoting Clean Energy Abroad

The Department of the Treasury [released guidance](#) on Oct. 29 updating how the United States will determine its support for international coal projects funded by multilateral development banks. The guidance aims to align the Department's position with that of EPA's proposed standards for domestic coal plants. A senior Treasury official also noted that the guidance is aimed at pushing private funding streams toward cleaner energy sources.

EPA Takes an Extension

On Nov. 17, EPA reported that it was still determining a deadline for finalizing its requirements for cooling water towers at large, existing power plants. Although the regulations were due to be finalized on Nov. 4, EPA noted that shutdown of the federal government had delayed their ability to issue the final rule until January. The [agency's proposed rule](#) would set technology requirements for power plant cooling towers in order to limit the trapping and killing of fish and other marine life.

Court Tells DOE, No Fees for You

On Nov. 19, the [U.S. Court of Appeals for the District of Columbia](#) ruled that the Department of Energy (DOE), based upon its decision to abandon the Yucca Mountain nuclear waste repository proposal, must stop collecting fees associated with nuclear waste removal until either Congress enacts an alternative or DOE resumes efforts at Yucca Mountain. The Senate is currently considering a bill ([S.1240](#)) from Senators Wyden (Ore.), Murkowski (Alaska) Feinstein (Cali.) and Alexander (Tenn.) that would establish a consent-based process for siting interim storage facilities and a permanent geological repository for spent nuclear fuel, although the legislation does not address Yucca Mountain.

New NCSL Resources

Increasing Energy Efficiency

Energy savings performance contracts (ESPCs) help building owners increase energy efficiency and lower energy bills at no expense to the owner. This [web brief](#) contains data on all 50 state's ESPC statutes, and highlights examples of state activity.

North Dakota's Oil Boom

North Dakota—just 10 years ago struggling with dispiriting, persistent trends of depopulation and decline—today finds itself with the hottest economy in the United States, growing five times faster than the national average. Read the latest issue of NCSL's [State Legislatures](#) magazine to learn more about North Dakota's oil boom and its impacts on the economy.

A Kilowatt-Hour Saved is a Kilowatt-Hour Earned

States are leading the way in reducing energy bills for residential and commercial building owners. [Read this update](#) to find out more on state building energy codes, energy efficiency requirements for state buildings, requirements that go “beyond code,” and benchmarking and disclosure. Legislative updates from 2012 and 2013 are included.

Solving the Transportation Funding Crisis

Learn how states are leading the way to find solutions to the nationwide transportation funding crisis [here](#).

Sun Sets on Bids

The first Bureau of Land Management (BLM) [auction](#) in Colorado for utility-scale solar development drew no bids. The October auction was for solar rights in two Solar Energy Zones, totaling 3,705 acres of public lands in two counties. Five companies had submitted preliminary applications and the agency received numerous inquiries. However, solar industry spokesmen cited regulatory and market uncertainties. BLM has also not released regional mitigation plans for the lands. Although the bureau received no bids, solar development may still occur on these lands.



[Please join us for NCSL's Fall Forum,](#)
Dec. 4-6 in
Washington D.C.

Attendees will have the opportunity to discuss policy with national experts, work on pressing issues as part of NCSL's standing committees, advocate for the states on Lobby Day and participate in special briefings developed for legislative staff.

For questions regarding Plugged In or to be added to the monthly distribution list, please contact [Kristy Hartman](#).